

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 ARA-16 EA-11 NEA-10 RSC-01

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-03 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19 IO-13 EB-11

COME-00 INT-08 SCEM-02 TRSE-00 OMB-01 CIEP-02 DRC-01

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R 201327Z SEP 73

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC 0560

INFO AMEMBASSY THE HAGUE

AMEMBASSY LONDON

C O N F I D E N T I A L TRIPOLI 1219

E.9. 11652: GDS

TAGS: ENRG LY

SUBJECT: OIL NATIONALIZATION: TEMPORARY STALEMATE ON
IMPLEMENTATION

REF: TRIPOLI 1199

1. IF AS WE UNDERSTAND IT THE KEY INDICATOR OF WHETHER CERTAIN OIL IS NATIONALIZED IS WHETHER IT IS SHIPPED AS CONSIGNED FROM THE NOC, ONE HAS TO DESCRIBE PRESENT SITUATION AS IN A STALEMATE TEMPORARILY FAVORING THE MAJOR OIL COMPANIES IN LIBYA. WE HASTEN TO ADD THAT WE DOUBT THIS SITUATION WILL GO ON MUCH LONGER, AND THAT THE MAIN REASON IT EXISTS AT ALL IS THAT THE LARG IS STILL SCRAMBLING TO FIND MEANS TO OPERATE THE MAJORS' FIELDS AND PORTS, EVEN AT A GREATLY REDUCED CAPACITY, THEREBY AVOIDING CERTAIN TECHNICAL PROBLEMS AND THE COSTS OF RESTARTING PRODUCTION.

2. SINCE THE ENFORCED LOADING OF AN (AMOSEAS) TANKER
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WITH NOC CRUDE LAST WEEK, AN ACT THAT WAS PUBLICIZED
HERE AS PROOF OF THE LARG'S SUCCESS, THERE HAVE BEEN

NO MORE INSTANCES TO OUR KNOWLEDGE AS OF THIS WRITING.
(WE ARE NOT NECESSARILY AU COURANT AT ANY GIVEN TIME,
HOWEVER.) WE HAVE HEARD RELIABLY THAT, ON THE CONTRARY,
THE MAJORS ARE SHIPPING CRUDE AT A RAPID CLIP PENDING
THE NEXT DEMAND FOR AN NOC LOADING, WHICH IS EXPECTED
VAGUELY WITHIN A FEW DAYS. EVEN SHELL HAS LOADED OUT
AT LEAST THREE TANKERS SINCE SEPTEMBER 11. ITS CASE
IS SPECIAL. AT FIRST OASIS SET ASIDE ONE SIXTH OF OASIS
PRODUCTION IN ITS TANKS AT THE PORT, CALLING THAT OIL THE
"SHELL PORTION" OF ITS UNDIVIDED PRODUCTION. BY
SEPT 11 THE TANKS WERE FULL OF SUCH OIL AND SOMETHING
HAD TO GIVE. THE LARG GAVE, IN EFFECT, BY ALLOWING
SHELL TANKERS TO LOAD. OTHERWISE ONE SIXTH OF ALL
OASIS EXPORTS COULD BE ATTACHED AS HOT OIL.

3. AS TO JALLUD'S TWO OPTIONS (REFTEL PARA 3 A AND B),
WE LEARN THE BRITISH EMBASSY HAS REPORTED THEY ARE
ACTUALLY THREE, A POINT STILL DISPUTED BY COX OF
ESSO. ANYWAY, TO TRY TO CLARIFY MATTERS, THE ESSENCE
OF THE "THIRD OPTION" IS IDENTICAL TO OPTION B) EXCEPT
THAT IT WOULD INVOLVE NO SIGNED AGREEMENT TO THAT
EFFECT; EACH SIDE WOULD OPERATE MERELY ON THE BASIS
OF ORAL UNDERSTANDINGS, WHICH WOULD NOT BE PUBLICIZED.
WE UNDERSTAND THAT MOBIL HAS BEEN INTRIGUED ENOUGH
BY THE THIRD OPTION TO ASK FOR CLARIFICATIONS
OVER THE TELEPHONE LINES BETWEEN NEW YORK AND TRIPOLI, AN
OBVIOUSLY INSECURE CHANNEL. IN CONTRAST AMOASEAS
MANAGER GLOSS, NOW RETURNED FROM CONSULTATIONS IN
LONDON, REPORTEDLY IS PREPARED TO RENDER A RESOUNDING
"NO" TO ALL OF JALLUD'S PROFFERED OPTIONS, BUT IS
WAITING TO BE CALLED IN TO SAY SO. ESSO OF COURSE
HAS ALREADY GIVEN ITS NEGATIVE ANSWER, AND NO
ONE SEEMS TO KNOW WHAT SHELL IS DOING BY WAY OF
REPLY TO JALLUD.

&. IF ADDRESSEES CAN SHED ANY LIGHT ON THIS SITUAION,
IT WOULD BE APPRECIATED.
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